

**COMET RESOURCES LIMITED**  
**ACN 060 628 202**  
**SUPPLEMENTARY PROSPECTUS**

**Section 1                      Important Information**

This is a Supplementary Prospectus that should be read in conjunction with the prospectus dated 1 February 2012 (**Original Prospectus**) issued by Comet Resources Limited ACN 060 628 202 (**Company**). This Supplementary Prospectus is dated 8 February 2012. A copy of this Supplementary Prospectus was lodged with ASIC and ASX on 8 February 2012. ASIC and ASX do not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus and the Original Prospectus may be viewed on the Company's website. During the period of the Offer, you may obtain a paper copy of the Original Prospectus and this Supplementary Prospectus free of charge by contacting the Company.

You may only apply for Shares using an Application Form attached to or accompanied by a complete copy of the Original Prospectus.

This document is important and should be read in its entirety and in conjunction with the Original Prospectus. If you do not understand its contents, you should consult your professional advisor without delay.

**Section 2                      Purpose of Supplementary Prospectus**

The Company advises that the Original Prospectus did not contain a description of the use of funds raised under the Offer nor a confirmation that the issue of Shares under the Offer would not result in any Shareholder holding a relative interest in more than 20% of the issued capital in the Company.

**Section 3                      Supplementary Information**

**1. Use of Funds**

The total funds raised from the Offer, being \$1,670,000 (after the payment of costs associated with the Offer), is proposed to be expended as follows:

| <b>Use of proceeds</b>       | <b>Indicative amount (\$)</b> |
|------------------------------|-------------------------------|
| Exploration at Lake Dundas   | 400,000                       |
| Exploration at Browns Reef   | 300,000                       |
| Exploration at Canning Basin | 300,000                       |
| Working capital              | 670,000                       |

The primary use of the funds raised will be to conduct exploration at the Company's projects at Lake Dundas, Browns Reef and Canning Basin. During 2012, the key activities at Lake Dundas will be exploration drilling at the defined targets. Exploration drilling at Browns Reef is to increase the strike length of the known mineralisation, and to look at defining high grade areas already identified. At Canning Basin, exploration drilling is to define the extent of coal type material as indicated by previous explorers and to determine the coal type and quality. It is envisaged that up to 4,000 metres of drilling will be completed during 2012.

The balance of the proceeds of the Offer (after repayment of costs associated with the Offer, including the Underwriter fee) will be held by the Company as cash at bank available for working capital.

Due to market conditions, the development of new opportunities and or any number of other factors (including the risk factors outlined in the Original Prospectus), actual expenditure levels may differ from the above estimates.

## 2. Voting Control

Given the potential dilutionary effect of the Offer, if 100% of Shareholders do not take up their entitlements, the entitled Shareholders taking up their rights, shortfall investors and the Underwriter may become substantial shareholders of the Company. Notwithstanding this dilutionary effect, no investor (including the Underwriter) will have a voting power greater than 20% as a result of the completion of the Offer.

None of the Directors will participate in any shortfall shares that may be issued under the Offer.

### **Section 4 Applications for Shares**

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for Shares under the Original Prospectus.

### **Section 5 General**

Other than as provided in this Supplementary Prospectus, all other information contained in the Original Prospectus remains unchanged. Words and phrases as defined in the Original Prospectus have a corresponding meaning in this Supplementary Prospectus.

### **Section 6 Directors' Consents and Authorisations**

Each Director of the Company has given and has not, as at the date of this Supplementary Prospectus, withdrawn his written consent to the lodgement with the ASIC of this Supplementary Prospectus.

This Supplementary Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink that reads "R A Jones". The signature is written in a cursive, slightly stylized font.

**Robert Jones**  
Chairman

Dated: 8 February 2012

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